



**SARAWAK CABLE BERHAD**  
**(456400-V)**  
**(Incorporated in Malaysia)**

**UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED**  
**28 FEBRUARY 2023**

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	Note	Current quarter 3 months ended		Cumulative quarter 9 months ended	
		28.02.2023 RM'000	28.02.2022 RM'000	28.02.2023 RM'000	28.02.2022 RM'000
Revenue		130,546	N/A	455,942	N/A
Cost of sales		(136,081)	N/A	(454,210)	N/A
Gross (loss)/profit		(5,535)	N/A	1,732	N/A
Other operating income		1,550	N/A	9,835	N/A
Administrative expenses		(2,972)	N/A	(13,993)	N/A
Other operating expenses		(4,283)	N/A	(13,981)	N/A
Operating loss		(11,240)	N/A	(16,407)	N/A
Finance costs		(6,155)	N/A	(15,001)	N/A
Loss before tax	A8	(17,395)	N/A	(31,408)	N/A
Income tax expense	A9	3,240	N/A	4,969	N/A
Loss for the period		(14,155)	N/A	(26,439)	N/A
Other comprehensive loss					
Exchange differences on translation of foreign operation		(1,887)	N/A	(789)	N/A
Net movement of cash flow hedges		1,769	N/A	1,028	N/A
Income tax related to cash flow hedges		(425)	N/A	(247)	N/A
Other comprehensive loss for the period, net of tax		(543)	N/A	(8)	N/A
Total comprehensive loss for the period, net of tax		(14,698)	N/A	(26,447)	N/A
<b>Loss for the period attributable to:</b>					
Equity holders of the company		(14,155)	N/A	(26,439)	N/A
Non-controlling interests		-	N/A	-	N/A
		(14,155)	N/A	(26,439)	N/A
<b>Total comprehensive loss for the period, net of tax attributable to:</b>					
Equity holders of the company		(14,698)	N/A	(26,447)	N/A
Non-controlling interests		-	N/A	-	N/A
		(14,698)	N/A	(26,447)	N/A
<b>Loss per share attributable to equity holders of the company (sen per share):</b>					
Basic	A10	(3.55)	N/A	(6.63)	N/A
Diluted	A10	(3.55)	N/A	(6.63)	N/A

**Notes:**

(i) The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Annual Financial Report for the period ended 31 May 2022 and the accompanying notes to the quarter report attached hereto.

(ii) The financial year end has been changed from 31 December to 31 May.

(iii) In addition, there is no comparative figures available for the preceding year corresponding period ended 28 February 2022.



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**UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT 28 FEBRUARY 2023**

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	Note	28.02.2023 RM'000	31.05.2022 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	A11	207,903	216,454
Deferred tax assets		24,465	19,635
Trade receivables		21,815	19,544
Investment in associate		1,477	-
		<u>255,660</u>	<u>255,633</u>
<b>Current assets</b>			
Inventories		78,746	117,969
Trade and other receivables		154,038	140,089
Other current assets		3,897	7,531
Contract assets		7,360	8,417
Tax recoverable		12,724	12,445
Cash and bank balances	A12	26,548	18,416
		<u>283,313</u>	<u>304,867</u>
Assets held for sale	A7	62,167	96,555
		<u>345,480</u>	<u>401,422</u>
<b>TOTAL ASSETS</b>		<u><u>601,140</u></u>	<u><u>657,055</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Current liabilities</b>			
Loans and borrowings	A13	332,726	378,599
Trade and other payables		144,779	122,748
Contract liabilities		9,489	6,541
Derivative liabilities		-	1,028
		<u>486,994</u>	<u>508,916</u>
Liabilities directly associated with the assets held for sale	A7	27,895	32,069
		<u>514,889</u>	<u>540,985</u>
<b>Net current liabilities</b>		<u>(169,409)</u>	<u>(139,563)</u>
<b>Non-current liabilities</b>			
Loans and borrowings	A13	64,351	66,883
Trade payables		6,535	6,535
Deferred tax liabilities		5,371	6,211
		<u>76,257</u>	<u>79,629</u>
<b>Total liabilities</b>		<u>591,146</u>	<u>620,614</u>
<b>Net assets</b>		<u>9,994</u>	<u>36,441</u>
<b>Equity attributable to equity holders of the Company</b>			
Share capital		267,215	267,215
Reverse acquisition reserve		(37,300)	(37,300)
Foreign currency translation reserve		(3,515)	(2,726)
Hedge reserve		-	(781)
Accumulated losses		(211,919)	(185,480)
		<u>14,481</u>	<u>40,928</u>
Non-controlling interests		(4,487)	(4,487)
<b>Total equity</b>		<u>9,994</u>	<u>36,441</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>601,140</u></u>	<u><u>657,055</u></u>
Net assets per share attributable to owners of the Company (sen)		3	9

*Notes:*

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**UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 FEBRUARY 2023**

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

	Total Equity	Total equity attributable to equity holders of the Company, total	Attributable to equity holders of the Company					Non-controlling interests
			Share capital	Reverse acquisition reserve	Foreign currency translation reserves	Hedge reserve	Revenue reserves	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2021	132,381	135,814	238,321	(37,300)	(695)	-	(64,512)	(3,433)
Loss for the period	(121,457)	(120,968)	-	-	-	-	(120,968)	(489)
Other comprehensive loss	(3,377)	(2,812)	-	-	(2,031)	(781)	-	(565)
Total comprehensive loss	(124,834)	(123,780)	-	-	(2,031)	(781)	(120,968)	(1,054)
Issuance of share capital	30,220	30,220	30,220	-	-	-	-	-
Share capital expenses	(1,326)	(1,326)	(1,326)	-	-	-	-	-
At 31 May 2022	36,441	40,928	267,215	(37,300)	(2,726)	(781)	(185,480)	(4,487)

*Notes:*

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**UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 FEBRUARY 2023**

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

	Total Equity	Total equity attributable to equity holders of the Company, total	Attributable to equity holders of the Company					Revenue reserves/ (Accumulated loss)	Non-controlling interests
			Share capital	Reverse acquisition reserve	Foreign currency translation reserves	Hedge reserve	Distributable		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 June 2022	36,441	40,928	267,215	(37,300)	(2,726)	(781)	(185,480)	(4,487)	
Loss for the period	(26,439)	(26,439)	-	-	-	-	(26,439)	-	
Other comprehensive loss	(8)	(8)	-	-	(789)	781	-	-	
Total comprehensive loss	(26,447)	(26,447)	-	-	(789)	781	(26,439)	-	
At 28 February 2023	9,994	14,481	267,215	(37,300)	(3,515)	-	(211,919)	(4,487)	

*Notes:*

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**UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 FEBRUARY 2023**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	Note	28.02.2023 Unaudited RM'000	31.05.2022 Audited RM'000
<b>Operating activities</b>			
Loss before tax		(31,408)	(103,450)
- continuing operations		(31,408)	(56,877)
- discontinued operations		-	(46,573)
Adjustments for:			
Allowance for impairment loss on:			
- Trade receivables		-	3,548
Amortisation of transaction cost		-	933
Bad debts written off		2	38
Bank charges written off		-	(2,234)
Depreciation of property, plant and equipment	A8	10,322	20,076
Finance income from concessions financial assets		-	(7,744)
Forfeiture of deposit		-	(66)
Gain on disposal of property, plant and equipment	A8	(3,568)	(351)
(Reversal)/impairment loss recognised on the remeasurement to fair value	A8	(1,840)	54,474
Interest income	A8	(2,482)	(1,373)
Interest expense	A8	15,001	27,283
Inventories written down	A8	(145)	751
Inventories written off		-	235
Loss on debt modification		-	279
Loss on lease remeasurement		-	164
Reversal of allowance for impairment loss of trade receivables		-	(259)
Reversal of impairment of assets held for sale		-	(1,692)
Reversal of impairment of property, plant and equipment		-	(3,599)
Unrealised gain on foreign exchange, net	A8	(469)	(2,848)
Waiver of debts		-	(1,110)
Operating cash flows before working capital changes		(14,587)	(16,945)
Changes in working capital:			
Decrease/(increase) in inventories		39,368	(20,270)
(Increase)/decrease in trade and other receivables		(18,084)	33,551
Increase in concessions financial assets		-	(5,667)
Decrease/(increase) in other current assets		7,644	(13,594)
Decrease in assets held for sale		34,388	-
(Decrease)/increase in trade and other payables		(11,501)	14,904
Total changes in working capital		51,815	8,924

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**UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 FEBRUARY 2023**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	Note	28.02.2023 Unaudited RM'000	31.05.2022 Audited RM'000
Cash flows generated from/(used in) operations		37,228	(8,021)
Interest paid		(15,001)	(27,283)
Tax paid, net of refund		(1,229)	(6,061)
Net cash flows from/(used in) operating activities		20,998	(41,365)
<b>Investing activities</b>			
Proceeds from disposal of property, plant and equipment		37,328	783
Purchase of property, plant and equipment		(2,004)	(5,810)
Interest received		2,482	1,373
Investment in associate		(1,477)	-
Net cash from/(used in) investing activities		36,329	(3,654)
<b>Financing activities</b>			
Placement of deposit		(647)	-
Repayment from borrowings		(19,241)	(2,019)
Repayment of lease liabilities		(29,411)	(2,494)
Issuance of share capital		-	30,220
Share capital expenses		-	(1,326)
Increase in cash and bank balances pledged for bank borrowings		-	1,547
Net cash (used in)/from financing activities		(49,299)	25,928
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>8,028</b>	<b>(19,091)</b>
Effect on exchange rate changes		(789)	(2,532)
Cash and cash equivalents at 1 June 2022/1 January 2021		13,345	34,968
<b>Cash and cash equivalents at 28 February 2023/31 May 2022</b>	A12	<b>20,584</b>	<b>13,345</b>

*Notes:*

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## **UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 28 FEBRUARY 2023**

### **PART A – EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134: INTERIM FINANCIAL REPORTING**

#### **A1. Corporate information**

Sarawak Cable Berhad (“the Company”) is a public limited liability company incorporated and domiciled in Malaysia, and is listed on Bursa Malaysia Securities Berhad.

These condensed consolidated interim financial statements were approved by the Board of Directors on 26 April 2023.

#### **A2. Significant accounting policies**

These interim financial statements are unaudited and have been prepared in accordance with applicable disclosure provisions of the Listing Requirements of Bursa Malaysia Securities Berhad, MFRS 134 *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board and with IAS 34 *Interim Financial Reporting* issued by the International Accounting Standards Board. These interim financial statements do not include all of the information required for annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group for the period ended 31 May 2022.

The significant accounting policies adopted in preparing these condensed consolidated interim financial statements are consistent with those of the audited financial statements for the period ended 31 May 2022, except for the adoption of new standards effective as at 1 January 2023:

<b>Description</b>	<b>Effective Date</b>
• MFRS 17 <i>Insurance Contracts</i>	1 January 2023
• Amendments to MFRS 17 <i>Insurance Contracts</i>	1 January 2023
• Amendments to MFRS 17 <i>Insurance Contracts - Initial Application of MFRS 17 and MFRS 9 - Comparative Information</i>	1 January 2023
• Amendments to MFRS 101 <i>Disclosure of Accounting Policies</i>	1 January 2023
• Amendments to MFRS 108 <i>Definition of Accounting Estimates</i>	1 January 2023
• Amendments to MFRS 112 <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
• Amendments to MFRS 16 <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
• Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
• Amendments to MFRS 101 <i>Non-current Liabilities with Covenants</i>	1 January 2024
• Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The pronouncements are not expected to have any material impact to the financial statements of the Group and of the Company.

#### **A3. Changes in estimates**

There were no changes in estimates that have a material effect in the current interim results.

#### **A4. Item of unusual nature, size or incidence**

There was no item of unusual nature, size or incidence.



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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 28 FEBRUARY 2023**

**PART A – EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134: INTERIM FINANCIAL REPORTING**

**A5. Segment information**

	Sales of cables and wires		Sales of galvanised products and steel structures		Transmission lines construction		Helicopter services and corporate		Total		Adjustments/ elimination		Per condensed consolidated financial statements	
	28 Feb 2023 RM'000	28 Feb 2022 RM'000	28 Feb 2023 RM'000	28 Feb 2022 RM'000	28 Feb 2023 RM'000	28 Feb 2022 RM'000	28 Feb 2023 RM'000	28 Feb 2022 RM'000	28 Feb 2023 RM'000	28 Feb 2022 RM'000	28 Feb 2023 RM'000	28 Feb 2022 RM'000	28 Feb 2023 RM'000	28 Feb 2022 RM'000
<b>Revenue</b>														
External customers	387,131	N/A	13,150	N/A	55,060	N/A	601	N/A	455,942	N/A	-	-	455,492	N/A
Inter-segment	6,245	-	-	-	-	-	3,688	N/A	9,933	N/A	(9,933)	N/A	-	-
Total revenue	<u>393,376</u>	<u>N/A</u>	<u>13,150</u>	<u>N/A</u>	<u>55,060</u>	<u>N/A</u>	<u>4,289</u>	<u>N/A</u>	<u>465,875</u>	<u>N/A</u>	<u>(9,933)</u>	<u>N/A</u>	<u>455,492</u>	<u>N/A</u>
<b>Segment (loss)/profit</b>	<u>(23,440)</u>	<u>N/A</u>	<u>(2,627)</u>	<u>N/A</u>	<u>519</u>	<u>N/A</u>	<u>(4,649)</u>	<u>N/A</u>	<u>(30,197)</u>	<u>N/A</u>	<u>(1,211)</u>	<u>-</u>	<u>(31,408)</u>	<u>N/A</u>

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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 28 FEBRUARY 2023**

**PART A – EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134: INTERIM FINANCIAL REPORTING**

**A5. Segment information (contd.)**

The Group is organised into business units based on their products and services, and has four operating segments as follows:

- (a) The sales of cable and wires segment supplies power and telecommunication cables and cable components to consumers.
- (b) The sales of galvanised products and steel structures segment supplies galvanised products and steel structures. It also offers galvanising services.
- (c) The transmission lines construction segment involves the supply, installation and commissioning of transmission line projects.
- (d) The helicopter services and corporate segment is involved in provision of helicopter services and Group-level corporate and management services.

**Sales of cables and wires**

The sales of cables and wires segment contributed 84.9% of the total revenue of the Group for the period ended 28 February 2023.

The segment recorded a revenue and loss before tax of RM387.1 million and RM23.6 million respectively for the period ended 28 February 2023. The reduction in the revenue were insufficient to cover the manufacturing and operating expenses incurred by cables and wires segment led to a segment loss recognised for the reporting period.

Market demand for products under this segment has shown improvement in view that all economic sectors in Malaysia were reopened in January 2022.

The Group continues to explore opportunity to increase its markets share locally and overseas.

**Sales of galvanised products and steel structures**

The sales of galvanised products and steel structures segment contributed 2.9% of the total revenue of the Group for the period ended 28 February 2023.

The Group’s subsidiary whose sales and services are in this segment, concentrates mainly in East Malaysia.

This segment recorded a loss before tax of RM2.4 million for period ended 28 February 2023. The low revenue was insufficient to cover the manufacturing and operating expenses led to a segment loss recognised for the reporting period.

Market demand for products under this segment has started to pick up in view that all economic sectors in Malaysia were reopened in January 2022.

The Group continues to explore opportunities to supply and sell its products and services in Malaysia and especially in Borneo Island.



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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 28 FEBRUARY 2023**

**PART A – EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134: INTERIM FINANCIAL REPORTING**

**A5. Segment information (contd.)**

**Transmission lines construction**

The transmission line construction segment contributed 12.1% of the total revenue of the Group for the period ended 28 February 2023.

The segment recorded a revenue and profit before tax of RM55.1 million and RM0.5 million respectively for the financial period ended 28 February 2023. The increase in revenue was due to more site activities being carried out in the current reporting quarter.

The Group continuous plans for the power transmission industry, include active participation in works as subcontractors and implement and strengthen our project management team to better manage the cost and completion timeline of on-going projects.

**Helicopter services and corporate**

The helicopter services and corporate segment provides helicopter services and Group-level corporate and management services. In the financial period ended 28 February 2023, helicopter services and corporate segment contributed RM0.6 million to the total revenue of the Group. The remaining helicopters that were leased had been disposed of and this transaction has been completed in first quarter of year 2023.

**Consolidated loss before tax**

The Group recorded a loss before tax of RM17.4 million for the three (3) months period ended 28 February 2023 is principally due to segment loss recorded for cables and wires segment and steel segment.

The other factors which had affected the current quarter’s loss before tax are explained above.

**A6. Seasonality of operations**

The Group's operations were not significantly affected by seasonal or cyclical factors.

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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 28 FEBRUARY 2023**

**PART A – EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134: INTERIM FINANCIAL REPORTING**

**A7. Asset held for sale**

On 29 July 2022, the Company made an announcement that it has entered into a Conditional Share Purchase Agreement (“CSPA”) to dispose of PT. Inpola Elektrindo (“PT. IME”), a subsidiary which the Company holds 78.33% equity interest. The business of PT. IME represented the entirety of the Group’s power generation operation segment. With PT. IME being classified as discontinued operation, the power generation operation segment is no longer presented in the segment note. The proposed disposal of PT. IME is expected to be completed by the third quarter of 2023.

At 28 February 2023, the assets and liabilities related to PT. IME have been presented as assets held for sale.

**Statement of financial position disclosure:**

The major classes of assets and liabilities of PT. IME classified as held for sale as at 28 February 2023 are as follows:

	28 February 2023 RM’000
Assets	
Property, plant and equipment	7
Intangible asset	2,510
Concession financial asset	105,358
Trade and other receivables	(20)
Other current assets	311
Cash and bank balances	1,843
	<u>110,009</u>
Loss on disposal of discontinued operation	<u>(47,842)</u>
Assets held for sale	<u>62,167</u>
Liabilities	
Loans and borrowings	(19,554)
Trade and other payables	(3,610)
Tax payables	(1)
Deferred tax liabilities	(4,730)
Liabilities directly associated with assets held for sale	<u>(27,895)</u>
Net assets directly associated with disposal group	<u>34,272</u>

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**PART A – EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134: INTERIM FINANCIAL REPORTING**

**A8. The following items have been included in arriving at loss before tax:**

	Current		Cumulative	
	3 months ended		9 months ended	
	28	28	28	28
	Feb	Feb	Feb	Feb
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Depreciation of property, plant and equipment	3,420	N/A	10,322	N/A
Loss/(Gain) on disposal of property, plant and equipment	50	N/A	(3,568)	N/A
Impairment/(reversal) loss recognised on the remeasurement to fair value	622	N/A	(1,840)	N/A
Interest expense	6,155	N/A	15,001	N/A
Interest income	(1,319)	N/A	(2,482)	N/A
Inventories written down	(4)	N/A	(145)	N/A
Unrealised loss/(gain) on foreign exchange	207	N/A	(469)	N/A

**A9. Income tax expense**

	Current		Cumulative	
	3 months ended		9 months ended	
	28	28	28	28
	Feb	Feb	Feb	Feb
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Current income tax:				
Based on results for the period	108	N/A	950	N/A
Over provision of deferred tax in respect of previous period	(295)	N/A	(295)	N/A
Deferred income tax	(3,053)	N/A	(5,624)	N/A
	<u>(3,240)</u>	<u>N/A</u>	<u>(4,969)</u>	<u>N/A</u>

The effective tax rate for the current and cumulative current quarter ended 28 February 2023 was lower than the statutory tax rate principally due to recognition of deferred tax assets arising from unabsorbed tax losses and unabsorbed capital allowances in certain subsidiaries.

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**SARAWAK CABLE BERHAD**  
**(456400-V)**  
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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 28 FEBRUARY 2023**

**PART A – EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134: INTERIM FINANCIAL REPORTING**

**A10. Loss per share**

Basic loss per share amounts are calculated by dividing loss for the period, net of tax, attributable to equity holders of the company by the weighted average number of ordinary shares outstanding during the period.

The Group had no potential ordinary shares in issue as at the reporting date and therefore, diluted loss per share is presented as equal to basic loss per share.

The following are the loss and share data used in the computation of basic and diluted loss per share:

	<b>Current quarter</b>		<b>Current period to date</b>	
	<b>28</b>	<b>28</b>	<b>28</b>	<b>28</b>
	<b>Feb</b>	<b>Feb</b>	<b>Feb</b>	<b>Feb</b>
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Loss net of tax attributable to equity holders the Company (RM'000)	(14,155)	N/A	(26,439)	N/A
Weighted average number of ordinary shares in issue ('000)	398,985	N/A	398,985	N/A
Basic and diluted loss per share (sen per ordinary share)	(3.55)	N/A	(6.63)	N/A
Diluted loss per share (sen per ordinary share)	(3.55)	N/A	(6.63)	N/A

**A11. Property, plant and equipment**

During the period ended 28 February 2023, the Group acquired assets at the cost of RM2.0 million.

**A12. Cash and bank balances**

Cash and bank balances comprised the following amounts:

	<b>28 Feb</b>	<b>31 May</b>
	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash in hand and at banks	23,502	16,017
Deposits with licensed banks	3,046	2,399
<b>Cash and bank balances</b>	<b>26,548</b>	<b>18,416</b>

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following as at the reporting date:

	<b>28 Feb</b>	<b>31 May</b>
	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash and bank balances	26,548	18,416
Less: Bank overdrafts	(2,918)	(2,672)
Deposits pledged	(3,046)	(2,399)
<b>Cash and cash equivalents</b>	<b>20,584</b>	<b>13,345</b>



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**PART A – EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134: INTERIM FINANCIAL REPORTING**

**A13. Loans and borrowings**

	<b>28 Feb 2023 RM'000</b>	<b>30 Nov 2022 RM'000</b>
<b>Current</b>		
Secured	18,639	52,740
Unsecured	314,087	325,859
	<u>332,726</u>	<u>378,599</u>
<b>Non-current</b>		
Secured	64,351	66,883
	<u>397,077</u>	<u>445,482</u>

**A14. Dividend paid**

No dividend had been paid for the period ended 28 February 2023.

**A15. Commitments**

	<b>28 Feb 2023 RM'000</b>	<b>30 Nov 2022 RM'000</b>
Capital expenditure		
Approved and contracted for:		
Property, plant and equipment	556	1,212
Approved but not contracted for:		
Property, plant and equipment	8,725	4,485
	<u>9,281</u>	<u>5,697</u>

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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 28 FEBRUARY 2023**

**PART B – EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS**

**B1. Contingencies**

There were no significant contingencies as at the end of the current financial quarter.

**B2. Related party transactions**

The following table provides information on the transactions which were entered into with related parties during the period ended 28 February 2023 and 28 February 2022 as well as the balances with the related parties as at 28 February 2023 and 31 May 2022.

		February 2023/February 2022		February 2023/May 2022	
		Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
		RM'000	RM'000	RM'000	RM'000
Transactions with subsidiaries of Sarawak Energy Berhad:					
Syarikat	2023	319	-	-	-
SESCO Berhad	2022	N/A	N/A	96	-
Transactions with subsidiaries of Hng Capital Sdn Bhd:					
Alpha Industries Sdn. Bhd.	2023	2,207	84,721	322	2,518
	2022	N/A	N/A	10,641	1,924
Leader Solar Sdn. Bhd.	2023	-	357	-	-
	2022	N/A	N/A	-	-

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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 28 FEBRUARY 2023**

**PART B – EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS**

**B3. Review of performance**

Explanatory comments on the performance of each of the Group’s business segments are provided in Note A5.

**B4. Comment on material change in loss before taxation**

During the current reporting period, the performance of the Group was affected by the lower revenue from cable and wires segment. The decrease in revenue which was insufficient to absorb the operations overhead led to the slight decrease in the gross margin. However, this has been mitigated by the increase in revenue from transmission lines construction segment due to more activities at site.

**B5. Commentary on prospects**

The Group is currently undertaking a restructuring program to rehabilitate the financial position and performance of the Group which is expected to be completed by first half of 2023.

**B6. Profit forecast or profit guarantee**

Not applicable as the Group did not publish any profit forecast or profit guarantee.

**B7. Corporate proposals**

Proposal for disposal of equity interest held in PT Inpola Mitra Elektrindo (“PT IME”) to KAB Energy Holdings Sdn Bhd (“KEH”), a wholly owned subsidiary of Kejuruteraan Asastera Berhad

On 19 January 2022, the Company announced that it has entered into a term sheet with KEH for the proposed disposal of equity interest in PT IME to KEH (“Proposed Disposal”) and that the Proposed Disposal is subject to a share sale and purchase agreement to be entered upon satisfactory completion of the due diligence exercise to be carried out by KEH on PT IME.

On 29 July 2022, the Company announced that it has entered into a Conditional Share Purchase Agreement (“SPA”) for the Proposed Disposal with KEH for a total consideration of RM75,000,000.00.

On 30 November 2022, the Company announced that the Company and KEH had mutually agreed to extend the Conditional Period mentioned in the SPA for a period of three (3) months from 28 October 2022 until 28 January 2023 with an option to extend the Conditional Period for an additional three (3) months, if mutually agreed by both the Company and KEH.

On 13 December 2022, the Company announced that it had obtained approval from Bursa Securities for an extension up to 28 February 2023 to submit the draft circular on the Proposed Disposal.

On 10 February 2023, the Company announced that the Company and KEH had mutually agreed to extend the Conditional Period until 30 April 2023.

On 13 April 2023, the Company announced that the Company and KEH had mutually agreed to extend the Conditional Period for a period of three (3) months from 30 April 2023 until 31 July 2023.

Barring any unforeseen circumstances and subject to all relevant approvals being obtained, the Proposed Disposal is expected to be completed by second half of year 2023.





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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 28 FEBRUARY 2023**

**PART B – EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS**

**B8. Changes in material litigation**

There was no material litigation during the current financial period up to the date of this quarterly report.

**B9. Dividends payable**

No dividend was payable for the period ended 28 February 2023.

**B10. Disclosure of nature of outstanding derivatives**

There was no outstanding derivative as of this quarter ended 28 February 2023.

**B11. Risks and policies of derivatives**

The Group will only enter into LME or currency derivative to hedge against potential commodity or currency fluctuation.

**B12. Disclosure of gains/losses arising from fair value changes of financial liabilities**

The Group did not have any financial liabilities measured at fair value through profit or loss as at 28 February 2023 and 31 May 2022 other than the derivatives as disclosed in Note B10 above.

**B13. Auditors' report on preceding annual financial statements**

The auditors' report on the financial statements for the year ended 31 May 2022 was qualified with disclaimer of opinion.

**B14. Authorised for issue**

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 26 April 2023.

By order of the Board